

A black and white halftone illustration. In the upper half, a person's face is shown in profile, looking downwards. In the lower half, four hands are reaching upwards towards the face. The central text 'Economic Development' is positioned between the face and the hands.

Economic Development

STATE OF HAWAII

PROGRAM TITLE:

ECONOMIC DEVELOPMENT

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01

VARIANCE REPORT

REPORT V61

11/29/07

	FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	472.50	388.50	- 84.00	18	488.00	408.00	- 80.00	16	488.00	484.00	- 4.00	1
EXPENDITURES (\$1000's)	239,338	213,078	- 26,260	11	196,034	25,130	- 170,904	87	103,402	276,049	+ 172,647	167
TOTAL COSTS												
POSITIONS	472.50	388.50	- 84.00	18	488.00	408.00	- 80.00	16	488.00	484.00	- 4.00	1
EXPENDITURES (\$1000's)	239,338	213,078	- 26,260	11	196,034	25,130	- 170,904	87	103,402	276,049	+ 172,647	167
	FISCAL YEAR 2006-07				FISCAL YEAR 2007-08							
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. GROSS STATE PRODUCT (2000 CONSTANT \$ IN MILLIONS)	46822	49006	+ 2184	5	49192	50412	+ 1220	2				
2. REAL PERSONAL INCOME (2000 CONSTANT \$ IN MILLIONS)	40576	40219	- 357	1	41518	40949	- 569	1				
3. UNEMPLOYMENT RATE (% , TENTHS)	3.1	2.3	- 0.8	26	3.2	2.7	- 0.5	16				
4. TOTAL EMPLOYMENT (THOUSANDS)	627	634	+ 7	1	633	644	+ 11	2				
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)	59221	60056	+ 835	1	62299	63505	+ 1206	2				
6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)	46227	48854	+ 2627	6	51244	51800	+ 556	1				

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: ECONOMIC DEVELOPMENT

01

PART I - EXPENDITURES AND POSITIONS

The variance in Economic Development program position counts is generally due to delays in recruitment and filling of vacancies.

The variance in expenditures is the net effect of position vacancies, lower than anticipated expenditures, and delays or deferrals of program projects.

PART II - MEASURES OF EFFECTIVENESS

Item 3. The unemployment rate variance is the result of an unexpected increase in the demand for labor and slower growth in the supply of labor.

VARIANCE REPORT

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	82.00	79.00	-	3.00	4	85.00	85.00	+	0.00	0	85.00	85.00	+	0.00	0
EXPENDITURES (\$1000's)	9,802	8,193	-	1,609	16	1,589	1,571	-	18	1	8,635	8,814	+	179	2
TOTAL COSTS															
POSITIONS	82.00	79.00	-	3.00	4	85.00	85.00	+	0.00	0	85.00	85.00	+	0.00	0
EXPENDITURES (\$1000's)	9,802	8,193	-	1,609	16	1,589	1,571	-	18	1	8,635	8,814	+	179	2
					FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. ANNUAL PERCENTAGE INCREASE IN GROSS STATE PRODUCT					5.2	6.2	+	1	19	5.0	5.7	+	0.7	14	
2. NUMBER OF NEW JOBS CREATED PER ANNUM					6210	13663	+	7453	120	6272	9450	+	3178	51	

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

STRATEGIC MARKETING & SUPPORT

PROGRAM-ID:

BED-100

PROGRAM STRUCTURE NO: 010101

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08										
					BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																			
RESEARCH & DEVELOPMENT COSTS																			
POSITIONS																			
EXPENDITURES (\$1,000's)																			
OPERATING COSTS																			
POSITIONS																			
EXPENDITURES (\$1000's)																			
TOTAL COSTS																			
POSITIONS																			
EXPENDITURES (\$1000's)																			
					19.00	19.00	+	0.00	0	20.00	20.00	+	0.00	0	20.00	20.00	+	0.00	0
					4,067	2,100	-	1,967	48	451	427	-	24	5	3,799	3,862	+	63	2
					19.00	19.00	+	0.00	0	20.00	20.00	+	0.00	0	20.00	20.00	+	0.00	0
					4,067	2,100	-	1,967	48	451	427	-	24	5	3,799	3,862	+	63	2

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 01 01
BED 100

PROGRAM TITLE: STRATEGIC MARKETING & SUPPORT

PART I - EXPENDITURES AND POSITIONS

Positions. No variances.

Expenditures. Variance in FY 2007 is primarily due to lower than anticipated expenditures for the Community-Based Economic Revolving Fund and the Disaster Commercial/Personal Loan Program.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Investment generated by business development and promotional activities were not met because there continues to be an indeterminate lag between investment attraction activities and actual investment realized in Hawaii. This is also due in part to the industries the division targets and the fact that there are many variables that the private sector considers before making an investment decision that is beyond the division's control. Projected investments through the U.S. Customs & Immigration Service's Hawaii Regional Center have been put on hold while the department awaits the reactivation of the Immigrant Investor Program.

Item 2. Trade and investment leads are generated through industry development and investment attraction activities. Leads generated through these activities are not easily quantifiable in advance. The activities, however, provide a good venue for Hawaii companies interested in exporting their products and services, test marketing their products, building brand awareness and identifying potential funding sources or partners to grow their business outside of the state.

Item 4. Five large community-based organizations planned and developed Community economic development projects which created 53 more jobs than anticipated. Jobs were created in the agricultural industry, arts and crafts industry, edu-tourism, and food service.

Item 5. A new outreach and marketing effort started in the 3rd and 4th quarters of 2006. The efforts needed to be expanded and increased to attract more companies in the categories and locations deemed most in need of support. In addition, due to the low unemployment levels across the State, some eligible companies that were interested in the program did not sign up because of concern with meeting the employee hiring requirements.

Item 6. The Annual Report that was completed in June of 2007 showed that 830 jobs were created. This calculation was derived by summing jobs reported at the time of application and comparing it with those companies that submitted a 2006 end-of-year report. Thus, the application job count vis à vis the initial job count could have occurred in any of the years covered by the report (1999, 2000, 2001, 2002, 2003, 2004, or 2005). Because many companies did not submit an annual report (only 61 companies out of 205) and fewer companies filed reports in 2005 and 2006, this was the most efficient method for determining

this indicator. Finally, the low end-of-year reporting was also exacerbated due to companies concerned that they could not meet the increased employee hiring requirements for certification during this period of low unemployment and thus did not submit reports. No tax benefits were claimed by those not reporting.

PART III - PROGRAM TARGET GROUPS

Item 1. It is very difficult to estimate the number of Hawaii firms engaged in international business. The division relies heavily on anecdotal information provided by the private sector, U.S. Department of Commerce's Export Assistance Center and DBEDT's Foreign Trade Zone. Neither the U.S. Customs & Immigration Service nor the Department of Commerce track Hawaii companies conducting international trade.

Item 2. CBED co-sponsorship in two community-based economic development conferences and training workshops contributed to an increase of +150 Hawaii organizations and cooperatives being serviced. Increase in conference attendance may be credited to the increase in interest and initiatives involving agro-, edu-, and eco-tourism, as well as an increase in initiatives supporting leadership and entrepreneurship.

Item 3. The number of small businesses requesting regulatory relief is less than planned due to the inability to forecast how many small businesses having regulatory issues.

PART IV - PROGRAM ACTIVITIES

Item 1. The number of international business development activities increased markedly due to the efforts of the department's two overseas offices in Beijing and Taipei.

Item 2. The number of national business development activities decreased due to changes in the industry focus of several trade shows that the division had planned to participate in.

Item 3. The number of out-of-state firms assisted to locate or invest in Hawaii did not meet projections due in part to the temporary suspension of the Hawaii Regional Center. With the Immigrant Investor Program on hold, potential business investors are holding off starting their business in Hawaii until the program is reactivated.

Item 9. Although CBED funding levels did not allow the program to fund community grant and/or loan requests in FY 2007, the program received a total of nine (9) community applications. Two of the nine requests were reviewed by program staff and the CBED Advisory Council and recommended for funding in FY 2008 if funding levels were restored.

STATE OF HAWAII

PROGRAM TITLE:

CREATIVE INDUSTRIES DIVISION

PROGRAM-ID:

BED-105

PROGRAM STRUCTURE NO: 010102

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												
TOTAL COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												
FISCAL YEAR 2006-07					FISCAL YEAR 2007-08							
PLANNED					PLANNED				ESTIMATED			
± CHANGE					± CHANGE				± CHANGE			
%					%				%			
PART II: MEASURES OF EFFECTIVENESS												
1. AMT OF DIRECT EXPEND. FROM FILM PROD IN HI (MIL)												
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)												
3. TAX REV GEN BY DIRECT EXPEND FRM FILM PROD (MIL)												
4. FUNDG STIM IN ADD TO CID BGT SPPTG ARTS/CULT/FILM												
PART III: PROGRAM TARGET GROUP												
1. MAJOR HOLLYWD STUDIOS/US & INTL FILM/TV INDUSTRY												
2. LOCAL PROD COMPANIES/LOCAL PROD PROFESSIONALS												
3. LOCAL FILM FESTIVALS												
4. TOURISTS PROMPTD BY LOCAL CULT/ARTS/EXP TO FILM/TV												
5. NONPROFIT ARTS/CULT ORGS BENEF OF ECON ACT BY CID												
6. FOUNDATIONS AND OTHER FUNDING SOURCES												
PART IV: PROGRAM ACTIVITY												
1. #FILM/TV/COMMERCIAL PROJS FILMING IN STATE YEARLY												
2. # OF FILM PERMITS PROCESSED ANNUALLY												
3. # LOCALLY FOCUSED EDUCATIONAL & PROMOTNL EVENTS												
4. #OVERSEAS SALES/MKTG/PROMO ATTND/SPON/SPPT BY CID												
5. # OF ARTS, CULTURE AND FILM INQUIRIES												

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

01 01 02
BED 105

PART I - EXPENDITURES AND POSITIONS

No significant variances.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Expenditures increased significantly due to the amendment to HRS 235-17 (motion picture, digital media, and film production income tax credit). Due to the increased refundable tax credits, more feature films shot in Hawaii, thus contributing \$85.7 M more dollars in direct expenditures than anticipated.

Item 2. Due to the increase in direct expenditures, there is an increase in the impact on the state.

Item 3. FY 08 estimate based on half of the direct expenditures claiming the refundable tax credit.

Item 4. Increase due to greater number of organizations co-sponsoring CID activities.

PART III - PROGRAM TARGET GROUPS

Item 3. Local film festivals increased by 30 percent. The FIB has been tracking the number of annual film festivals and there are six new additional film festivals in this past fiscal year.

Item 6. Increase due to locating other funding sources.

PART IV - PROGRAM ACTIVITIES

Item 1. The variance is due to more film/TV/commercial projects filming in the state than anticipated. The anticipated increase for FY 08 is based on the actual increase in FY 07.

Item 3. Increase due to including First Friday monthly events that DBEDT co-sponsors with the Friends of Hawaii State Art Museum and the State Foundation on Culture and the Arts as individual events.

Item 4. Increase due to additional events co-sponsored by ACDB.

STATE OF HAWAII

PROGRAM TITLE: FOREIGN TRADE ZONE

PROGRAM-ID: BED-107

PROGRAM STRUCTURE NO: 010103

VARIANCE REPORT

REPORT V61

11/29/07

	FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08				
	BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
TOTAL COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: FOREIGN TRADE ZONE

**01 01 03
BED 107**

PART I - EXPENDITURES AND POSITIONS

Position vacancies in FY06-07 were the result of program trying to control operational expenditures to maintain parity with program revenue.

Position vacancies in the first quarter of FY07-08 were the result of program trying to control operational expenditures to maintain parity with program revenue.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The 15 percent increase in value of cargo in/out of FTZ (excluding subzones) was due to the increase in fuel costs associated with Honolulu International Airport's Fueling Facilities Corporation (FFC).

Item 2. The 39 percent increase in value of cargo in/out of all subzones was due to the increase in fuel costs associated with Tesoro.

Item 3. The 6.0 percent decrease in value of cargo in/out of Pier 2 facility was due to restructuring of Pier 2 operations.

Item 5. The increase in value of exports from all FTZ facilities was a result of an increase in fuel costs associated with Tesoro.

Item 6. The decrease in users' employment attributed to participation in the FTZ program is the result of fewer additional hires by The Honolulu International Airport's FFC.

Item 7. The user survey related to user satisfaction in FY 2006-2007 had not yet been implemented.

Item 8. The decrease in yearly special fund balance (total revenue less total expenditures) in FY 2006-2007 was due to an increase in expenditures for special projects to include the purchase of plastic pallets to replace the existing wooden pallets.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The increase in value of cargo in/out of the FTZ (excluding subzones) was due to the increase in fuel costs associated with the Honolulu International Airport's Fueling Facilities Corporation.

Item 2. The increase in value of cargo in/out of subzones was due to the increase in fuel costs associated with Tesoro.

Item 3. The decrease in the actual value of cargo in/out of the Pier 2 facility was a result of the relocation of a significant customer.

Item 5. The decrease in advertising/marketing expenditures in FY 2006-2007 was due to budget constraints based on available funds.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

11/29/07

PROGRAM-ID:

BED-142

PROGRAM STRUCTURE NO: 010104

	FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ESTIMATED	± CHANGE	%	
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	34.00	34.00	+	0.00	0	35.00	35.00	+	0.00	0	35.00	35.00	+	0.00	0
EXPENDITURES (\$1000's)	2,347	2,701	+	354	15	549	546	-	3	1	2,057	2,123	+	66	3
TOTAL COSTS															
POSITIONS	34.00	34.00	+	0.00	0	35.00	35.00	+	0.00	0	35.00	35.00	+	0.00	0
EXPENDITURES (\$1000's)	2,347	2,701	+	354	15	549	546	-	3	1	2,057	2,123	+	66	3
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08					
						PLANNED	ACTUAL	± CHANGE	%		PLANNED	ESTIMATED	± CHANGE	%	
PART II: MEASURES OF EFFECTIVENESS															
1. % CONTRACTS & LTRS OF AGMT PROC/REVWD W/IN 10 DAYS						100	100	+	0	0	100	100	+	0	0
2. % CHNG IN AMT OF FED & NONSTATE GRANT FUNDS RECD						0	-38	-	38	0	0	0	+	0	0
3. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED						95	99	+	4	4	95	95	+	0	0
4. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)						2.0	.8	-	1.2	60	2.0	.8	-	1.2	60
5. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE						98	98	+	0	0	98	98	+	0	0
PART III: PROGRAM TARGET GROUP															
1. STATE RESIDENT POPULATION (1000S)						1298	1285	-	13	1	1312	1299	-	13	1
2. STATE DE FACTO POPULATION (000S)						1431	1407	-	24	2	1447	1422	-	25	2
3. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)						258	351	+	93	36	258	359	+	101	39
PART IV: PROGRAM ACTIVITY															
1. # OF TESTIMONIES PRESENTED AT LEG HEARINGS						500	600	+	100	20	500	600	+	100	20
2. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED						162	182	+	20	12	162	190	+	28	17
3. # OF IFBS AND RFPS ADVERTISED						22	27	+	5	23	22	27	+	5	23
4. # OF CONTRACTS & LETTERS OF AGMT EXECUTED						278	183	-	95	34	278	183	-	95	34
5. # OF SUMMARY WARRANT VOUCHERS PROCESSED						3000	2163	-	837	28	3000	2100	-	900	30
6. AMT OF FED & NONSTATE GRANT FUNDS RECD (\$1000S)						13000	8785	-	4215	32	13000	13000	+	0	0
7. # OF FORMAL GRIEVANCES FILED ANNUALLY						5	3	-	2	40	5	5	+	0	0
8. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY						1050	1150	+	100	10	1050	1200	+	150	14

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

**01 01 04
BED 142**

PART I - EXPENDITURES AND POSITIONS

The variance in expenditures in FY 2007 was due to the collective bargaining expenses and the transfer in of funds to BED 142 from other programs for contractual services to implement the Office of International Affairs.

picture is different. For example, in one program, over a one year period 16 new employees were hired with 14 employees terminating. The net result would seem to reflect that virtually no progress was made, however, in reality, it translates to 16 recruitment efforts some of which involved classification processing, 30 new hire/separation processing, etc.

PART II - MEASURES OF EFFECTIVENESS

Item 2. The decrease in percentage change was due to less federal grant funds received than the prior fiscal year and the timing of grant funds drawn down for program expenditures.

Item 4. The decrease in the server downtime due to improved hardware and improved system replacements.

PART III - PROGRAM TARGET GROUPS

Item 3. Increase due to the addition of the HHFDC program to DBEDT.

PART IV - PROGRAM ACTIVITIES

Item 1. Increase due to the addition of the HHFDC program to DBEDT.

Item 2. The requests for allotment prepared increased due to the addition of the HHFDC program to DBEDT.

Item 3 & 4. The increase in the number of IFB/RFP's were the result of more funds available to the programs. The decrease in the number of contracts/LOA's were due to the SPO's implementation of the HePS system and the use of P-Cards which significantly lowered the number of LOA's we executed.

Item 5. The decrease in vouchers processed was due to the implementation of the State's Purchasing Card Program. This decrease will continue due to a reduction in vouchers needed for vendor payments.

Item 6. The estimates of grant revenues were greater than the actual amounts required for program expenditures for the fiscal year.

Item 7. Decrease due to fewer formal grievances filed.

Item 8. The increase in the number of personnel transactions processed is due to the more aggressive approach the department is taking in establishing/filling positions. Even though the net result in some instances may seem to reflect that no progress was made, the true

STATE OF HAWAII

PROGRAM TITLE: TOURISM

PROGRAM-ID: BED-113

PROGRAM STRUCTURE NO: 0102

VARIANCE REPORT

REPORT V61

11/21/07

	FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ESTIMATED	+ CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0
EXPENDITURES (\$1000's)	123,330	121,393	-	1,937	2	138,737	6,427	-	132,310	95	25	132,310	+	132,285	529140
TOTAL COSTS															
POSITIONS	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0
EXPENDITURES (\$1000's)	123,330	121,393	-	1,937	2	138,737	6,427	-	132,310	95	25	132,310	+	132,285	529140
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08					
						PLANNED	ACTUAL	+ CHANGE		%	PLANNED	ESTIMATED	+ CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)						12.0	12.1	+	0.1	1	12.0	12.1	+	0.1	1
2. TOTAL TRANSIENT ACCOMMODATIONS TAX COLLECTION						231777	224931	-	6846	3	231777	250648	+	18871	8
3. TOTAL VISITOR DAYS						68.1	67.6	-	0.5	1	68.1	68.1	+	0	0
4. TOTAL VISITOR ARRIVALS						7.4	7.4	+	0	0	7.4	7.4	+	0	0
5. AIR SEATS (\$MILLIONS)						10.024	10.632	+	0.608	6	10.024	10.632	+	0.608	6
6. HAWAII CONVENTION CENTER DELEGATE COUNT						104000	85155	-	18845	18	104000	90780	-	13220	13
PART III: PROGRAM TARGET GROUP															
1. # ORGANIZATIONS THAT HOLD NATIONAL CONVENTIONS						1989	1989	+	0	0	1989	1989	+	0	0
2. TOTAL LONG-HAUL TRAVEL VISITS - JAPAN (CALENDR YR)						16.2	17.5	+	1.3	8	16.2	17.5	+	1.3	8
3. # LEISURE TRIPS TAKEN BY AIRPLANE (US) (CY)						169.7	169.7	+	0	0	169.7	169.7	+	0	0
PART IV: PROGRAM ACTIVITY															
1. # SPORTING EVENTS ACTUALLY FUNDED						15	15	+	0	0	15	15	+	0	0
2. # PRODUCT ENRICHMT PROJECTS ACTUALLY FUNDED						125	110	-	15	12	125	125	+	0	0
3. # OF MAJOR FESTIVALS ACTUALLY FUNDED						11	8	-	3	27	11	9	-	2	18
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS						50	75	+	25	50	50	75	+	25	50
5. # OF STAKEHOLDER MEETINGS HELD						30	30	+	0	0	30	30	+	0	0
6. # OF PUBLICATIONS ISSUED						5	5	+	0	0	5	5	+	0	0

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 02
BED 113

PROGRAM TITLE: TOURISM

PART I - EXPENDITURES AND POSITIONS

The variance for FY08 Expenditures is because of HTA's exemption to allot the full appropriation in the 1st quarter without reversion.

PART II - MEASURES OF EFFECTIVENESS

Overall variances are due to staff's over/underestimating.

Item 6. FY 2007 was a rough year for meetings at the Hawai'i Convention Center.

Overall, in FY 2007 visitors who indicated they came to Hawai'i for a meeting/convention/incentive dropped -20%. For FY 2008, SMG, the Convention Center's operators, are projecting a revised delegate count of 90,780, instead of 104,000.

PART III - PROGRAM TARGET GROUPS

Item 2. Variance due to more Japanese taking long-haul trips.

PART IV - PROGRAM ACTIVITIES

Item 2. The number of projects supported vary depending on the quality and quantity of proposals received. The estimated number of projects supported is based on the previous year.

Item 3. The three events that did not take place were due to two being cancelled and one not having submitted an application for the funding.

Item 4. Increase in speeches/presentations to tourism stakeholders due to more activity in this area to step up communication outreach efforts.

STATE OF HAWAII

PROGRAM TITLE:

AGRICULTURE

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103

VARIANCE REPORT

REPORT V61

11/29/07

	FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	322.50	260.50	- 62.00	19	329.00	274.00	- 55.00	17	329.00	325.00	- 4.00	1
EXPENDITURES (\$1000's)	35,119	30,416	- 4,703	13	11,392	10,180	- 1,212	11	34,636	36,518	+ 1,882	5
TOTAL COSTS												
POSITIONS	322.50	260.50	- 62.00	19	329.00	274.00	- 55.00	17	329.00	325.00	- 4.00	1
EXPENDITURES (\$1000's)	35,119	30,416	- 4,703	13	11,392	10,180	- 1,212	11	34,636	36,518	+ 1,882	5
					FISCAL YEAR 2006-07				FISCAL YEAR 2007-08			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. DIVERSIFIED AGR FARM VALUE (\$M)					453.9	450.5	- 3.4	1	470.2	464.0	- 6.2	1
2. TOTL AGR FARM VALUE/OTHR FARM REL ACT (\$M)					613.3	582.4	- 30.9	5	597.6	588.2	- 9.4	2

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

FINANCIAL ASSISTANCE FOR AGRICULTURE

PROGRAM-ID:

AGR-101

PROGRAM STRUCTURE NO: 010301

VARIANCE REPORT

REPORT V61

11/29/07

		FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
		BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		10.00	8.00	-	2.00	20	10.00	9.00	-	1.00	10	10.00	9.00	-	1.00	10
EXPENDITURES (\$1000's)		6,054	2,710	-	3,344	55	1,526	1,526	+	0	0	4,579	4,599	+	20	0
TOTAL COSTS																
POSITIONS		10.00	8.00	-	2.00	20	10.00	9.00	-	1.00	10	10.00	9.00	-	1.00	10
EXPENDITURES (\$1000's)		6,054	2,710	-	3,344	55	1,526	1,526	+	0	0	4,579	4,599	+	20	0
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS																
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

**01 03 01
AGR 101**

PART I - EXPENDITURES AND POSITIONS

Variances in FY 07 were due to position vacancies and the lower dollar amount in loans granted. Loans approved in FY 07 amounted to \$1.7 million.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

PRODCVTY IMPRVMT & MGT ASSTNCE FOR AGR

11/29/07

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

		FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
		BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		197.50	156.50	-	41.00	21	203.00	167.00	-	36.00	18	203.00	201.00	-	2.00	1
EXPENDITURES (\$1000's)		13,968	12,860	-	1,108	8	3,986	3,986	+	0	0	12,416	12,825	+	409	3
TOTAL COSTS																
POSITIONS		197.50	156.50	-	41.00	21	203.00	167.00	-	36.00	18	203.00	201.00	-	2.00	1
EXPENDITURES (\$1000's)		13,968	12,860	-	1,108	8	3,986	3,986	+	0	0	12,416	12,825	+	409	3
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS																
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

PROGRAM-ID:

AGR-122

PROGRAM STRUCTURE NO: 01030201

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	142.00	106.00	-	36.00	25	147.00	117.00	-	30.00	20	147.00	147.00	+	0.00	0
EXPENDITURES (\$1000's)	9,460	8,691	-	769	8	2,668	2,668	+	0	0	8,461	8,720	+	259	3
TOTAL COSTS															
POSITIONS	142.00	106.00	-	36.00	25	147.00	117.00	-	30.00	20	147.00	147.00	+	0.00	0
EXPENDITURES (\$1000's)	9,460	8,691	-	769	8	2,668	2,668	+	0	0	8,461	8,720	+	259	3
					FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.					NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 03 02 01
AGR 122

PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

Variances in FY 07 were due to vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

PROGRAM TITLE:

ANIMAL PEST AND DISEASE CONTROL

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01030202

VARIANCE REPORT

REPORT V61

11/29/07

		FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
		BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		55.50	50.50	-	5.00	9	56.00	50.00	-	6.00	11	56.00	54.00	-	2.00	4
EXPENDITURES (\$1000's)		4,508	4,169	-	339	8	1,318	1,318	+	0	0	3,955	4,105	+	150	4
TOTAL COSTS																
POSITIONS		55.50	50.50	-	5.00	9	56.00	50.00	-	6.00	11	56.00	54.00	-	2.00	4
EXPENDITURES (\$1000's)		4,508	4,169	-	339	8	1,318	1,318	+	0	0	3,955	4,105	+	150	4
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS																
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

RABIES QUARANTINE

PROGRAM-ID:

AGR-131

PROGRAM STRUCTURE NO: 0103020201

VARIANCE REPORT

REPORT V61

11/29/07

		FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
		BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		32.00	29.00	-	3.00	9	32.00	28.00	-	4.00	13	32.00	30.00	-	2.00	6
EXPENDITURES (\$1000's)		2,887	2,476	-	411	14	763	763	+	0	0	2,290	2,375	+	85	4
TOTAL COSTS																
POSITIONS		32.00	29.00	-	3.00	9	32.00	28.00	-	4.00	13	32.00	30.00	-	2.00	6
EXPENDITURES (\$1000's)		2,887	2,476	-	411	14	763	763	+	0	0	2,290	2,375	+	85	4
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS																
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 03 02 02 01
AGR 131

PROGRAM TITLE: RABIES QUARANTINE

PART I - EXPENDITURES AND POSITIONS

Variance in FY 07 expenditures was largely due to vacancies in temporary positions.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

PROGRAM TITLE:

ANIMAL DISEASE CONTROL

PROGRAM-ID:

AGR-132

PROGRAM STRUCTURE NO: 0103020202

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	23.50	21.50	-	2.00	9	24.00	22.00	-	2.00	8	24.00	24.00	+	0.00	0
EXPENDITURES (\$1000's)	1,621	1,693	+	72	4	555	555	+	0	0	1,665	1,730	+	65	4
TOTAL COSTS															
POSITIONS	23.50	21.50	-	2.00	9	24.00	22.00	-	2.00	8	24.00	24.00	+	0.00	0
EXPENDITURES (\$1000's)	1,621	1,693	+	72	4	555	555	+	0	0	1,665	1,730	+	65	4
					FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.					NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 03 02 02 02
AGR 132

PROGRAM TITLE: ANIMAL DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

No significant variances.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

PRODUCT DEVELOPMENT AND MARKETING FOR AGR

11/29/07

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010303

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	66.00	54.00	-	12.00	18	66.00	54.00	-	12.00	18	66.00	66.00	+	0.00	0
EXPENDITURES (\$1000's)	7,235	7,895	+	660	9	2,979	1,767	-	1,212	41	8,941	10,267	+	1,326	15
TOTAL COSTS															
POSITIONS	66.00	54.00	-	12.00	18	66.00	54.00	-	12.00	18	66.00	66.00	+	0.00	0
EXPENDITURES (\$1000's)	7,235	7,895	+	660	9	2,979	1,767	-	1,212	41	8,941	10,267	+	1,326	15
					FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.					NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

FORESTRY - PRODUCTS DEVELOPMENT

PROGRAM-ID:

LNR-172

PROGRAM STRUCTURE NO: 01030301

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
TOTAL COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
	22.00	18.00	-	4.00	18	22.00	17.00	-	5.00	23	22.00	22.00	+	0.00	0
	1,893	3,308	+	1,415	75	1,747	535	-	1,212	69	5,242	6,495	+	1,253	24
	22.00	18.00	-	4.00	18	22.00	17.00	-	5.00	23	22.00	22.00	+	0.00	0
	1,893	3,308	+	1,415	75	1,747	535	-	1,212	69	5,242	6,495	+	1,253	24
					FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. % SEEDLINGS DISTRIBUTED OR SOLD COMPARED TO GOAL					100	117	+	17	17	100	100	+	0	0	
2. % ACRES TREE PLANTING/REFORSTTN COMPARED TO GOAL					13	60	+	47	362	66	66	+	0	0	
3. % BOARD FEET TIMBER HARVESTED COMP TO GOAL					50	97	+	47	94	100	100	+	0	0	
4. % LNDOWNRS/ORGS/COMM ASSISTED COMPARED TO GOAL					100	340	+	240	240	100	200	+	100	100	
5. % FUNDS LEVERAGED COMPARED TO GOAL					100	183	+	83	83	100	100	+	0	0	
6. % ACRES ACQ/SECURD FOR CONSERVTN COMPRD TO GOAL					100	357	+	257	257	100	100	+	0	0	
7. % DEPTL LANDS UNDR COMM TIMBER MGMT COMP TO GOAL					62	68	+	6	10	80	77	-	3	4	
PART III: PROGRAM TARGET GROUP															
1. FOREST PRODCT PROCESSRS, RELTD BUSNSS/INVSTRS (#)					15	14	-	1	7	15	14	-	1	7	
2. FOREST AND OTHER LANDOWNERS (NUMBER)					10	12	+	2	20	10	11	+	1	10	
3. WATERSHED PARTNERS (NUMBER)					50	66	+	16	32	50	66	+	16	32	
4. COMMUNITY VOLUNTEER ORGANIZATIONS (NUMBER)					50	50	+	0	0	50	50	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. PRODUCE & DISTRIBUTE OR SELL 60,000 TREE SEEDLINGS					60000	70000	+	10000	17	60000	60000	+	0	0	
2. PLANT OR REFOREST 150 ACRES OF DEPARTMENTAL LANDS					20	90	+	70	350	100	100	+	0	0	
3. PRMOT HARVST 50,000 BD FT OF TIMBER FRM DEPTL LND					50000	48650	-	1350	3	50000	50000	+	0	0	
4. PROVDE TECH FORSTRY ASSIST TO LNDOWNRS/ORG/COMM					60	1020	+	960	1600	60	600	+	540	900	
5. LEVERAGE IN ADDL FUNDS/ASSOC SVCS (\$MIL) THRU PRGM					3	5.5	+	2.5	83	3	3	+	0	0	
6. ACQUIRE/SECURE 2,000 ACRES ADDTN TO FOREST RES SYS					2000	7146	+	5146	257	2000	2000	+	0	0	
7. PLACE 12,000 ACRES DEPTL LND UNDER COMM TIMBR MGT					12000	8177	-	3823	32	12000	9275	-	2725	23	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - PRODUCTS DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

Actual positions filled were fewer than budgeted during FY07 due to position turnover and delays in the recruitment process and employees being temporarily assigned to other positions.

In FY07 DLNR received an emergency proclamation from the Governor, as a General Fund appropriation of \$2,640,000 for the replanting, reforestation, and restoration of the Kula Forest Reserve in Waiohuli, Maui, of which about \$1,410,000 was expended in FY07. This resulted in a roughly 75% increase over our budgeted expenditures for FY07.

PART II - MEASURES OF EFFECTIVENESS

Many planned measures are based on transactions involving the Waiakea Timber Management Area (WTMA) and the Tradewinds Forest Products Timber Land License.

Acres reforested are lower than planned due to vacancies in field crew staffing and due to delays in a Federal to State cost-shared reforestation project and the startup of the Tradewinds Timber Land License, both anticipated in FY09.

Revenue generated from sale of seedlings from Department tree nurseries and from forest product commercial harvest permits increased due to increased demand and the availability of an updated forest product commercial harvest permit. Estimated measures for revenue and board feet of timber harvested are expected to increase further due to greater emphasis on issuing permits, and recent changes to Hawaii Revised Statutes relating to forest product revenues.

PART III - PROGRAM TARGET GROUPS

The Division has established and maintains cooperative efforts with forest landowners, watershed partners and volunteer organizations at planned levels. Such partnerships with forest product processors and related businesses are anticipated to increase and are currently near target levels.

PART IV - PROGRAM ACTIVITIES

Seedling production is likely to increase with active utilization of timber resources by Tradewinds once they become operational in the WTMA. Departmental lands under commercial management will increase with the addition of lands under license to Hawaii Island Hardwoods during FY08. Reforestation activities did not meet planned levels due to vacancies in field crew staffing and due to a delay in a Federal to State cost-shared reforestation project that is anticipated to commence shortly. By FY09, increased revenues

from timber sales and continued position recruitment efforts are likely to allow the Department to meet or exceed planned levels for seedling production and reforestation activities.

The Department provided technical forestry assistance to landowners, communities and businesses at numbers more than triple the actual number planned. The Department has taken proactive measures in its efforts to provide such assistance through enhancement of existing programs and special workshops and in documenting the incidence of such requests from the public. Actual dollars leveraged through program implementation were boosted by success in obtaining a one-time grant (\$3,350,000) to purchase private forest lands at Wao Kele O Puna.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE

PROGRAM-ID: AGR-151

11/29/07

PROGRAM STRUCTURE NO: 01030302

	FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08				
	BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ESTIMATED	± CHANGE	%	
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	26.00	19.00	-	7.00	27	26.00	21.00	-	5.00	19	26.00	26.00	+	0.00	0
EXPENDITURES (\$1000's)	2,394	1,682	-	712	30	619	619	+	0	0	1,857	1,865	+	8	0
TOTAL COSTS															
POSITIONS	26.00	19.00	-	7.00	27	26.00	21.00	-	5.00	19	26.00	26.00	+	0.00	0
EXPENDITURES (\$1000's)	2,394	1,682	-	712	30	619	619	+	0	0	1,857	1,865	+	8	0
	FISCAL YEAR 2006-07					FISCAL YEAR 2007-08									
	PLANNED	ACTUAL	± CHANGE	%		PLANNED	ESTIMATED	± CHANGE	%		PLANNED	ESTIMATED	± CHANGE	%	
PART II: MEASURES OF EFFECTIVENESS															
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 03 03 02
AGR 151

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE

PART I - EXPENDITURES AND POSITIONS

Variance in FY 07 positions were due to vacancies pending recruitment and filling.

Variance in FY 07 expenditures were due to less than expected expenditures from the Certification Services Revolving Fund and less than expected funds passing through the Commodities Temporary Deposit and Milk Producers Settlement trust funds.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

PROGRAM TITLE:

AGRICULTURAL DEVELOPMENT & MARKETING

PROGRAM-ID:

AGR-171

PROGRAM STRUCTURE NO: 01030303

VARIANCE REPORT

REPORT V61

11/29/07

		FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
		BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		18.00	17.00	-	1.00	6	18.00	16.00	-	2.00	11	18.00	18.00	+	0.00	0
EXPENDITURES (\$1000's)		2,948	2,905	-	43	1	613	613	+	0	0	1,842	1,907	+	65	4
TOTAL COSTS																
POSITIONS		18.00	17.00	-	1.00	6	18.00	16.00	-	2.00	11	18.00	18.00	+	0.00	0
EXPENDITURES (\$1000's)		2,948	2,905	-	43	1	613	613	+	0	0	1,842	1,907	+	65	4
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS																
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING

01 03 03 03
AGR 171

PART I - EXPENDITURES AND POSITIONS

No significant variances.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

PROGRAM TITLE:

GENERAL SUPPORT FOR AGR

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010304

VARIANCE REPORT

REPORT V61

11/29/07

		FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
		BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		49.00	42.00	-	7.00	14	50.00	44.00	-	6.00	12	50.00	49.00	-	1.00	2
EXPENDITURES (\$1000's)		7,862	6,951	-	911	12	2,901	2,901	+	0	0	8,700	8,827	+	127	1
TOTAL COSTS																
POSITIONS		49.00	42.00	-	7.00	14	50.00	44.00	-	6.00	12	50.00	49.00	-	1.00	2
EXPENDITURES (\$1000's)		7,862	6,951	-	911	12	2,901	2,901	+	0	0	8,700	8,827	+	127	1
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS																
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

AGRICULTURAL RESOURCE MANAGEMENT

PROGRAM-ID:

AGR-141

PROGRAM STRUCTURE NO: 01030401

VARIANCE REPORT

REPORT V61

11/29/07

		FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08				
		BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ESTIMATED	± CHANGE	%	
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		20.00	14.00	-	6.00	30	21.00	16.00	-	5.00	24	21.00	20.00	-	1.00	5
EXPENDITURES (\$1000's)		2,500	2,147	-	353	14	1,427	1,427	+	0	0	4,281	4,322	+	41	1
TOTAL COSTS																
POSITIONS		20.00	14.00	-	6.00	30	21.00	16.00	-	5.00	24	21.00	20.00	-	1.00	5
EXPENDITURES (\$1000's)		2,500	2,147	-	353	14	1,427	1,427	+	0	0	4,281	4,322	+	41	1
						FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
						PLANNED	ACTUAL	± CHANGE	%		PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS																
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT

01 03 04 01
AGR 141

PART I - EXPENDITURES AND POSITIONS

Variances in FY 07 were due to vacant positions and less than expected expenditures from the Irrigation System revolving fund and the Agricultural Park special fund.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

PROGRAM TITLE:

AGRIBUSINESS DEVELOPMENT

PROGRAM-ID:

AGR-161

PROGRAM STRUCTURE NO: 01030402

VARIANCE REPORT

REPORT V61

11/29/07

		FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
		BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS		0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)		3,748	3,061	-	687	18	876	876	+	0	0	2,625	2,659	+	34	1
TOTAL COSTS																
POSITIONS		0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)		3,748	3,061	-	687	18	876	876	+	0	0	2,625	2,659	+	34	1
						FISCAL YEAR 2006-07				FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS																
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

01 03 04 02
AGR 161

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

FY 07 variance in expenditures due to no response to a solicitation for repair work and the program limiting expenditures due to projected decrease in revenues as a result of the Del Monte's plantation closure.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

PROGRAM TITLE:

GENERAL ADMINISTRATION FOR AGRICULTURE

PROGRAM-ID:

AGR-192

PROGRAM STRUCTURE NO: 01030403

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07						THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
	BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ACTUAL	± CHANGE	%		BUDGETED	ESTIMATED	± CHANGE	%		
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS																
EXPENDITURES (\$1000's)																
TOTAL COSTS																
POSITIONS																
EXPENDITURES (\$1000's)																
FISCAL YEAR 2006-07						FISCAL YEAR 2007-08										
PLANNED						ACTUAL				± CHANGE				%		
PLANNED						ESTIMATED				± CHANGE				%		
PART II: MEASURES OF EFFECTIVENESS																
1. ANNUAL ACREAGE CULTIVATED BY NEW BORROWERS						350				NO DATA				-	350	100
2. # CURR CHEM/MECH/BIO PROJ HI CON % PROJ ATTEMP						83				NO DATA				-	83	100
3. # INVASIVE SPEC INTERCEPT PRIOR TO ESTAB IN HAWAII						400				NO DATA				-	400	100
4. # CASES OF RABIES IN COMMUNITY						0				NO DATA				+	0	0
5. # FORGN REP DISEASE OF LIVSTOK, POULTRY & AQUACUL						0				NO DATA				+	0	0
6. % AGR PARK/NON-AGR PARK LNDS DEVE & IN PRDTIVE USE						90				NO DATA				-	90	100
7. # ACRES IRRIGATED BY ST SUPPORT IRRIGATION SYS						54446				NO DATA				-	54446	100
8. % FOOD SAFE AUDITS ID VER & CERT REQ FULFILLED						100				NO DATA				-	100	100
9. RETURN INVESTMENT RATE ON TRADE SHOWS (RATIO X:1)						15				NO DATA				-	15	100
10. # OF RESEARCH PROJ ADDRESSING INDUSTRY PRIORITIES						10				NO DATA				-	10	100
PART III: PROGRAM TARGET GROUP																
1. # FARMERS/NEW FARMERS INCLUDING AQUACULTURISTS						5600				NO DATA				-	5600	100
2. # AGRICULTURE/AQUACULTURE COOPERATIVES						25				NO DATA				-	25	100
3. # OF HAWAII RESIDENTS						1292007				NO DATA				-	1292007	100
4. # REGULATED BAG, CARGO, MAIL (PARCELS IN 000'S)						16				NO DATA				-	16	100
5. # WIDESPREAD NOXIOUS WEED/INSECTS/PEST INFESTATION						300				NO DATA				-	300	100
6. # PRODUCERS/PROCESSORS OF AGR & FISHERY PRODUCT						5500				NO DATA				-	5500	100
7. # WHOLESALERS/RETAILERS OF AGR & FISHERY PRODS						840				NO DATA				-	840	100
PART IV: PROGRAM ACTIVITY																
1. # OF NEW LOANS APPROVED						25				NO DATA				-	25	100
2. # BAG/CARGO/MAIL INSPECTED (IN THOUSANDS)						14000				NO DATA				-	14000	100
3. # BIO & CHEM/MECH CONTROL PROJECTS						20				NO DATA				-	20	100
4. # LIVSTOK/EX ANIM/BIRDS/NON-DOM ANMLS INS ON ENTRY						950000				NO DATA				-	950000	100
5. # LABS COND LIVSTOK/POLTRY DIS SUR IMP AML/DOG/CAT						24800				NO DATA				-	24800	100
6. # CERT ISS GRADE/COND OF AGR COMOD & FISHERY PROD						3000				NO DATA				-	3000	100
7. # AGR & VALUE-ADD PROD PROM ACTIVITIES CONDUCTED						10				NO DATA				-	10	100
8. # CURR AGR WATER DEVELOP STD/INVEST & IMP PROJ						12				NO DATA				-	12	100
9. # AGRBUS DEV CORP BOARD-APP LAND INFRASTRUC PROJ						15				NO DATA				-	15	100
10. # AQUACULTURE PERMIT & DISEASE ASSIST PROVIDED						425				NO DATA				-	425	100

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE

01 03 04 03
AGR 192

PART I - EXPENDITURES AND POSITIONS

No significant variances.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, the listed measure of effectiveness do not apply to this program as reflected in Act 213, SLH 2007.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, the listed program target groups do not apply to this program as reflected in Act 213, SLH 2007.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, the listed program activities do not apply to this program as reflected in Act 213, SLH 2007.

VARIANCE REPORT

	FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%		
PART I: EXPENDITURES & POSITIONS																	
RESEARCH & DEVELOPMENT COSTS																	
POSITIONS																	
EXPENDITURES (\$1,000's)																	
OPERATING COSTS																	
POSITIONS	17.00	13.00	-	4.00	24	19.00	14.00	-	5.00	26	19.00	19.00	+	0.00	0		
EXPENDITURES (\$1000's)	2,401	2,896	+	495	21	1,282	1,078	-	204	16	1,294	1,508	+	214	17		
TOTAL COSTS																	
POSITIONS	17.00	13.00	-	4.00	24	19.00	14.00	-	5.00	26	19.00	19.00	+	0.00	0		
EXPENDITURES (\$1000's)	2,401	2,896	+	495	21	1,282	1,078	-	204	16	1,294	1,508	+	214	17		
						FISCAL YEAR 2006-07					FISCAL YEAR 2007-08						
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%		
PART II: MEASURES OF EFFECTIVENESS																	
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.						NO DATA	NO DATA	+		0	0	NO DATA	NO DATA	+		0	0

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

COMMERCIAL FISHERIES & RESOURCE ENHANCEMENT

11/29/07

PROGRAM-ID:

LNR-153

PROGRAM STRUCTURE NO: 010402

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
TOTAL COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
	9.00	8.00	-	1.00	11	11.00	9.00	-	2.00	18	11.00	11.00	+	0.00	0
	1,733	2,307	+	574	33	1,100	896	-	204	19	749	957	+	208	28
	9.00	8.00	-	1.00	11	11.00	9.00	-	2.00	18	11.00	11.00	+	0.00	0
	1,733	2,307	+	574	33	1,100	896	-	204	19	749	957	+	208	28
					FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. SUCCESSFUL OVERALL FISHERY PROGRAM					22	NO DATA	-	22	100	22	NO DATA	-	22	100	
2. ENJOYMENT OF HAWAII'S FISHERY & AQUATIC RESOURCES					49	NO DATA	-	49	100	50	NO DATA	-	50	100	
3. VIBRANT FISHERY ECONOMY					95	NO DATA	-	95	100	95	NO DATA	-	95	100	
4. SUSTAINABLE SUPPT OF CULTURAL/NATIVE HWN PRAC/ACTV					1	NO DATA	-	1	100	1	NO DATA	-	1	100	
5. NEW TECH FOR REARING/RESTOCKING IMPT SPECIES					3	NO DATA	-	3	100	4	NO DATA	-	4	100	
6. SUFFICIENT EFFORTS AT PUBLIC OUTREACH					2	NO DATA	-	2	100	2	NO DATA	-	2	100	
PART III: PROGRAM TARGET GROUP															
1. FISHING PUBLIC (SUBSIS, RECR, COMMERCL): THOUSANDS					165	NO DATA	-	165	100	168	NO DATA	-	168	100	
2. NON-FISHING (NON-CONSUMPTIVE) PUBLIC: THOUSANDS					10	NO DATA	-	10	100	10	NO DATA	-	10	100	
3. AFFECTED BUSINESSES (DEALERS, SPPT SVCS): HUNDREDS					5	NO DATA	-	5	100	5	NO DATA	-	5	100	
4. NATIVE PEOPLES (CULTRL/TRADTNL) IMPORTANCE: 000'S					6	NO DATA	-	6	100	6	NO DATA	-	6	100	
PART IV: PROGRAM ACTIVITY															
1. NO. OF COMMERCIAL MARINE FISHERMEN LICENSES ISSUED					4	4	+	0	0	4	4	+	0	0	
2. NUMBER OF RECREATIONAL FISHERMEN LICENSES ISSUED					5	NO DATA	-	5	100	5	NO DATA	-	5	100	
3. NO. OF IMPORTANT MARINE SPECIES REARED & RELEASED					10	NO DATA	-	10	100	10	NO DATA	-	10	100	
4. NUMBER OF PUBLIC FISHING AREAS MANAGED					38	NO DATA	-	38	100	38	NO DATA	-	38	100	
5. NO. OF ARTIFICIAL REEF & FISH AGGR DEVICE PROJECTS					62	NO DATA	-	62	100	62	NO DATA	-	62	100	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: COMMERCIAL FISHERIES & RESOURCE ENHANCEMENT

01 04 02
LNR 153

PART I - EXPENDITURES AND POSITIONS

FY 07: A vacant fishery technician position at year-end is under recruitment. Actual expenditures reflect authorized Federal fund spending increases.

FY 08: Position count during the 1st quarter is lower as vacant positions are under recruitment. Actual 1st quarter expenditures are lower due to a delay in encumbering contracts until the 2nd quarter, however overall expenditures are higher due to approved increase in expenditure of Federal Funds.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, these measures of effectiveness do not apply to this program as reflected in Act 213, SLH 2007. Data for measures of effectiveness is available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, these program target groups do not apply to this program as reflected in Act 213, SLH 2007. Data for program target groups is available upon request.

PART IV - PROGRAM ACTIVITIES

Items 2-5: Because the Executive's proposed FB 07-09 Program Structure was not approved, these program activities do not apply to this program as reflected in Act 213, SLH 2007. Data for program activities is available upon request.

STATE OF HAWAII

PROGRAM TITLE: AQUACULTURE DEVELOPMENT

PROGRAM-ID: AGR-153

PROGRAM STRUCTURE NO: 010403

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	8.00	5.00	-	3.00	38	8.00	5.00	-	3.00	38	8.00	8.00	+	0.00	0
EXPENDITURES (\$1000's)	668	589	-	79	12	182	182	+	0	0	545	551	+	6	1
TOTAL COSTS															
POSITIONS	8.00	5.00	-	3.00	38	8.00	5.00	-	3.00	38	8.00	8.00	+	0.00	0
EXPENDITURES (\$1000's)	668	589	-	79	12	182	182	+	0	0	545	551	+	6	1
					FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.					NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: AQUACULTURE DEVELOPMENT

01 04 03
AGR 153

PART I - EXPENDITURES AND POSITIONS

Variances in FY 07 were due to vacancies and less than anticipated expenditures from the Aquaculture Development special fund.

PART II - MEASURES OF EFFECTIVENESS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

PART III - PROGRAM TARGET GROUPS

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

PART IV - PROGRAM ACTIVITIES

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

VARIANCE REPORT

PROGRAM TITLE: TECHNOLOGY

11/29/07

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0105

	FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	14.00	9.00	- 5.00	36	12.00	9.00	- 3.00	25	12.00	12.00	+ 0.00	0
EXPENDITURES (\$1000's)	32,854	20,488	- 12,366	38	4,284	2,384	- 1,900	44	32,619	33,667	+ 1,048	3
TOTAL COSTS												
POSITIONS	14.00	9.00	- 5.00	36	12.00	9.00	- 3.00	25	12.00	12.00	+ 0.00	0
EXPENDITURES (\$1000's)	32,854	20,488	- 12,366	38	4,284	2,384	- 1,900	44	32,619	33,667	+ 1,048	3
					FISCAL YEAR 2006-07				FISCAL YEAR 2007-08			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. INCR IN LEVERAGING PUBLIC INV W/PRIV CAPITAL		0	0	+	0	0	5000000	1500000	- 3500000	70		
2. INCR IN # OF VENTURE CAPITAL PARTNERSHIPS ESTAB		1	0	-	1	100	1	1	+	0	0	
3. # OF COMPANIES ASSISTED (HTDC)		38645	33805	-	4840	13	59200	38270	-	20930	35	
4. AMOUNT OF NELHA TENANT SALES (\$M)		62.0	50	-	12	19	68.2	55	-	13.2	19	
5. INCREASE IN NELHA REVENUES (\$K)		607	577	-	30	5	1074	1104	+	30	3	

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

VARIANCE REPORT

PROGRAM TITLE: STRATEGIC INDUSTRIES

11/29/07

PROGRAM-ID: BED-120

PROGRAM STRUCTURE NO: 010501

	FISCAL YEAR 2006-07				THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08				
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%	
PART I: EXPENDITURES & POSITIONS													
RESEARCH & DEVELOPMENT COSTS													
POSITIONS													
EXPENDITURES (\$1,000's)													
OPERATING COSTS													
POSITIONS													
EXPENDITURES (\$1000's)													
TOTAL COSTS													
POSITIONS													
EXPENDITURES (\$1000's)													

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: STRATEGIC INDUSTRIES

01 05 01
BED 120

PART I - EXPENDITURES AND POSITIONS

and Hawaii Energy Strategy 2007 project.

FY 2007: Two positions were re-described and transferred to other programs and we were not able to fill the other three vacancies. Project deferrals can be attributed to decreased expenditures significantly less than the budgeted amounts in FY 2007.

FY 2008: We were not able to fill the three vacancies in the first quarter but anticipate to filling the positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. # QUALIFIED TRADE LEADS GENERATED. In FY 2007, the Office of Aerospace Development was created and additional aerospace events added.

Item 3. DECLINE IN ENERGY USE PER CAP/PER ECON OUTPUT UNIT. A different base year for real state gross product was used to calculate the measure.

Item 4. RATIO OF INDUSTRY STATE \$ COOP ACT. The federal to state funding support ratio increased from 1.89:1 to 3.72:1 since general fund support is projected to decrease 44.55% or \$600,000, while Federal funds increase in FY 2008.

PART III - PROGRAM TARGET GROUPS

Item 1. # BUS/ORG INTERESTED IN ENERGY/ENV/OCEAN/RECY PROD. The increase in energy efficiency and renewable project developed increased the number of interested participants.

PART IV - PROGRAM ACTIVITIES

Item 1. # BUSINESS DEV & PROMO ACTIVITIES DEV & SUPPORTED. Additional activities included the Hawaii Biofuels Summit, Fuel Cell Seminar, Hawaii Bioenergy Workshop, and the development of a hydrogen Internet portal.

Item 2. # IND/MARKET DEV ASSESSMENTS CONDUCTED. Additional activities included Hawaii Geothermal/Hydrogen road map, and ethanol assessment update.

Item 3. # INDUSTRY OUTREACH PROJECTS DEV & IMPLEMENTED. The Hawaii Energy Strategy 2007 required several stakeholder meetings. Other activities included Energy Council meetings and emergency energy exercises.

Item 4. # ENERGY EFFIC & RENWBLE PROJ DEV & IMPLMTD. The division participated in several Integrated Resource Planning meetings, exhibits related to energy information,

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HIGH TECHNOLOGY DEVELOPMENT CORPORATION

11/29/07

PROGRAM-ID:

BED-143

PROGRAM STRUCTURE NO: 010502

	FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	3.00	3.00	+	0.00	0	3.00	3.00	+	0.00	0	3.00	3.00	+	0.00	0
EXPENDITURES (\$1000's)	9,772	5,934	-	3,838	39	1,366	690	-	676	49	8,479	8,127	-	352	4
TOTAL COSTS															
POSITIONS	3.00	3.00	+	0.00	0	3.00	3.00	+	0.00	0	3.00	3.00	+	0.00	0
EXPENDITURES (\$1000's)	9,772	5,934	-	3,838	39	1,366	690	-	676	49	8,479	8,127	-	352	4
						FISCAL YEAR 2006-07					FISCAL YEAR 2007-08				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS						165	152	-	13	8	190	186	-	4	2
2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED						38645	33805	-	4840	13	59200	38270	-	20930	35
PART III: PROGRAM TARGET GROUP															
1. # OF POTENTIAL TECH-BASED COMPANIES						1698	1476	-	222	13	1160	1519	+	359	31
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES						70	15	-	55	79	35	20	-	15	43
PART IV: PROGRAM ACTIVITY															
1. # OF CONTACTS AND RESPONSES						160287	136184	-	24103	15	248900	154188	-	94712	38

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION

01 05 02
BED 143

PART I - EXPENDITURES AND POSITIONS

The FY07 variance is due to the inactivity of the \$1.5m revolving loan fund that lacks seed money and lower than budgeted special and federal fund expenditures. Major variances in the special fund includes 1) \$1.5m contingent appropriation for new tech opportunities and/or to develop new tech centers, 2) \$170k for the Manufacturing Extension Partnership (MEP) cash match that was not needed, 3) disbursement of tech centers facility expenses through an approved asset management contract and client account. Federal fund variances includes 1) approx. \$107k budgeted in excess of actual use by MEP, 2) \$116k unobligated due to the timing of Hawaii Center for Advanced Transportation Technologies (HCATT) contract encumbrances. The one-time appropriations of \$400,000 for the International Business & Tech Incubator and \$200,000 for the Hawaii Small Business Innovation Research (HSBIR) program were also expended. One federally funded position was vacant the majority of the year and one state funded position was vacant late in the fiscal year.

FY08 appropriates funds for the same core programs/projects. All positions are anticipated to be filled during the year.

PART II - MEASURES OF EFFECTIVENESS

Item 1: FY07 "actual" and FY08 "estimated" statistics are in-line with the plan amounts. There is slightly lower activity for virtual incubation services.

Item 2: The vendor that physically hosts HTDC's websites changed in FY07. The methodology of tracking website activity differs from the previous vendor and is the main reason for the lower statistic for both years.

PART III - PROGRAM TARGET GROUPS

Item 1: The FY07 "planned" number anticipated new opportunities in Asia due to the new funding for the international business and tech incubator. Stricter laws implemented in China further limit opportunities for foreign companies not having a local business address from conducting business there. The statistic reflects the change. The FY08 "planned" statistic includes an inaccurate amount. The "estimate" reflects the updated statistic.

Item 2: The FY07 "actual" and FY08 "estimate" reflect the lower demand for virtual incubation service and continued low vacancy at the tech centers reduce chances for new companies. The FY07 "planned" number anticipated splitting large quadrants at one tech center into smaller units. This did not happen.

PART IV - PROGRAM ACTIVITIES

Item 1: The new vendor that hosts HTDC's websites has different methodology to track activity. This is the main reason for the lower statistics for FY07 and FY08. The FY08 "estimated" statistic was also lowered to account for the completion of two large MEP contracts that presented a series of workshops to a large pool of potential one-time users of MEP services. This was offset slightly by an anticipated increase in interest in the state and federally funded SBIR grant programs.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HAWAII STRATEGIC DEVELOPMENT CORPORATION

11/29/07

PROGRAM-ID:

BED-145

PROGRAM STRUCTURE NO: 010503

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
TOTAL COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
	4,263	264	-	3,999	94	59	53	-	6	10	8,956	9,020	+	64	1
	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
	4,263	264	-	3,999	94	59	53	-	6	10	8,956	9,020	+	64	1

FISCAL YEAR 2006-07					FISCAL YEAR 2007-08					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	0	0	+	0	0	5000000	1500000	- 3500000	70	
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	1	0	-	1	100	1	1	+	0	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED	4	0	-	4	100	4	4	+	0	0
4. AMT NEW INV CAPITAL RAISD THRU STATE PRIV INV FUND	0	NO DATA	+	0	0	0	NO DATA	+	0	0
PART III: PROGRAM TARGET GROUP										
1. ENTREPRENEURIAL START-UP COMPANIES	33	33	+	0	0	37	37	+	0	0
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS	7	8	+	1	14	12	18	+	6	50
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	2	2	+	0	0	3	3	+	0	0
PART IV: PROGRAM ACTIVITY										
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	0	0	+	0	0	100000	75000	-	25000	25
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	3	3	+	0	0	3	2	-	1	33
3. ENTREPRENEURIAL TRAINING PROGRAMS	3	3	+	0	0	5	5	+	0	0

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

**01 05 03
BED 145**

PART I - EXPENDITURES AND POSITIONS

FY 2007 expenditures were below plan because HSDC did not make any new investments, though they were included in the authorization ceiling.

FY 2008 expenditures are anticipated to increase with the roll out of the Hydrogen Investment Capital Special Fund.

Operating expenditures and staffing levels are on target.

Item 3. New entrepreneurial outreach programs are being contemplated and may exceed plan.

PART II - MEASURES OF EFFECTIVENESS

Item 1 & 2. Leveraging is lower in FY 08 due to smaller funds being launched by investment managers but the number of VC partnerships/LLC's is on plan.

Item 3. HSDC's board approved an investment in FY 07 but the fund was closed before HSDC could take action. The investment is being finalized in FY 08 and the number of companies funded is again on plan.

The State Private Investment Fund was not fully authorized by the legislature. This objective should be deleted.

PART III - PROGRAM TARGET GROUPS

Item 1. Consistent with HSDC's Yearly Activity Plan efforts are being directed towards entrepreneurial development. In conjunction with a network of service providers (HiTEN) outreach targets to companies are being met.

Item 2. Access to potential investors is exceeding goals as a result of HSDC's new fund investment.

Item 3. Service providers are being educated and brought into the HiTEN network on plan.

PART IV - PROGRAM ACTIVITIES

Item 1. No new investments were made in FY 07. This year a \$75,000 investment is being made.

Item 2. The FY 08 planned venture capital conference has been pushed back to October of FY 2009.

STATE OF HAWAII

PROGRAM TITLE:

NATURAL ENERGY LAB OF HAWAII AUTHORITY

PROGRAM-ID:

BED-146

PROGRAM STRUCTURE NO: 010504

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
TOTAL COSTS															
POSITIONS															
EXPENDITURES (\$1000's)															
	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
	12,199	10,094	-	2,105	17	1,372	895	-	477	35	11,264	11,792	+	528	5
PART II: MEASURES OF EFFECTIVENESS															
FISCAL YEAR 2006-07															
FISCAL YEAR 2007-08															
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
1. # OF NEW NELHA TENANTS (ACTUAL)	5	3	-	2	40	5	3	-	2	40					
2. NEW TENANTS (ACRES)(ACTUAL)	15.4	24.3	+	8.9	58	20	15.7	-	4.3	22					
3. AMOUNT OF TENANT SALES (\$M)	62.0	50	-	12	19	68.2	55	-	13.2	19					
4. INCREASE IN REVENUES (\$K)	607	577	-	30	5	1074	1104	+	30	3					
5. AMT OF TENANT CAPITAL INVSTMNT AT NELHA (\$M)	15	15.3	+	0.3	2	6	6	+	0	0					
6. VALUE OF CEROS PROJECTS FUNDED (\$M)	5.8	4.9	-	0.9	16	5.8	5.8	+	0	0					
7. # OF CEROS OUTREACH & INTERFACE ACTIVITIES	17	17	+	0	0	17	17	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. # BUSINESS/INT'L ORGS W/OCEAN RES INTERESTS	55	51	-	4	7	50	55	+	5	10					
2. # BUSINESS/INT'L ORGS W/SUSTAIN ENERGY INTSTS	45	41	-	4	9	40	60	+	20	50					
3. # TENANTS W/BIO TECHNOLOGY INTERESTS	7	7	+	0	0	7	7	+	0	0					
4. # COLLABORATIONS W/UNIVERSITIES AND COLLEGES	4	4	+	0	0	4	4	+	0	0					
5. # COLLABORATIONS W/NATIONAL LABORATORIES	3	3	+	0	0	2	2	+	0	0					
6. # ORGS COMMERCIALIZING OCEAN TECHNOLOGIES	85	71	-	14	16	85	75	-	10	12					
7. # ORGS IN OCEAN TECH DEV & DOD COMMANDS	600	600	+	0	0	600	600	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. # OF NELHA TENANTS (ACTUAL)	42	39	-	3	7	42	43	+	1	2					
2. CURRENT NELHA TENANT EXPANSION (ACRES)	5	0	-	5	100	3	9.2	+	6.2	207					
3. % OF LAND USE AT NELHA & HOST PARK	31.81	35	+	3.19	10	33	38	+	5	15					
4. CUM AMOUNT OF STATE, TENANT, & FED CAP IMPV (\$M)	102	216	+	114	112	109	222	+	113	104					
5. # OF NELHA OUTREACH ACTIVITY PARTICIPANTS	2792	3060	+	268	10	3072	5100	+	2028	66					
6. % CEROS BUDGET USED FOR TECHNOLOGY PROJECTS	91	83	-	8	9	91	90	-	1	1					
7. # OF CEROS OUTREACH & INTERFACE PARTICIPANTS	400	400	+	0	0	400	400	+	0	0					

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

**01 05 04
BED 146**

PART I - EXPENDITURES AND POSITIONS

S-345-Variance in FY 07 expenditures is due to much lower tenants' usage of seawater than the projections given to NELHA, coupled with position vacancies and contracts for telephone system upgrades, laboratory equipment and seawater alarm and control system upgrades coming in much less than anticipated.

S-245- Variance due to CEROS contracts not being encumbered in 4th quarter of FY 07 and being deferred to FY 08.

S-251- Variance is due to delays in securing competent lower tier vendors to assist NELHA with its Micro-Grid project at its Gateway Facility.

S-345- Variance of \$495,822.01 in the first quarter of FY 08 is due to timing of processing payments for ceded land, central and admin services assessments and contract encumbrances/expenditures for equipment and seawater delivery service maintenance that was scheduled for the first quarter.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Variance due to the timing of when prospective tenants submit proposals and when they actually become tenants. NELHA has no control over the time it takes prospective tenants to get their start-up capital.

Item 2. Variance due to the same issue above, coupled with new tenants taking less land than originally proposed.

Item 3. Variance due to lesser sales than tenants' projected.

Item 5. Variance is due to tenants under estimation of what their capital improvement cost would be.

Item 6. The variance in FY 07 is due to the number of proposed CEROS contracts to be encumbered in the 4th quarter was deferred to the 1st quarter of FY 08.

PART III - PROGRAM TARGET GROUPS

Item 1 & 2. There were slight variances in business with international organizations with ocean resources and sustainable energy interest. NELHA expects these interests to greatly increase due to the local and national press/TV writing stories about NELHA's successes. In FY 08 we have begun to see a dramatic increase in alternative energy companies inquiring about starting projects at NELHA.

Item 6. Variance of 17% less than projected is due to additional sources being available for research funding.

PART IV - PROGRAM ACTIVITIES

Item 1. Variance due to timing of when prospective tenant request tenancy and when they actually sign a lease.

Item 2. Variance due to tenants not initiating their proposed expansions as planned and/or deciding to occupy less acreage.

Item 3. Variance is due to the timing of new tenants occupying land at NELHA and the time they take to obtain capital investment to make the land occupiable.

Item 4. Variance due to obtaining updated information from NELHA tenants on their capital improvement cost which is higher than projected.

Item 5. Variance due to increased exposure of the NELHA Gateway Facility.

STATE OF HAWAII

PROGRAM TITLE:

WATER AND LAND DEVELOPMENT

PROGRAM-ID:

LNR-141

PROGRAM STRUCTURE NO: 0106

VARIANCE REPORT

REPORT V61

11/29/07

	FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	3.00 3.00 + 0.00 0					5.00 3.00 - 2.00 40					5.00 5.00 + 0.00 0				
	395 214 - 181 46					224 77 - 147 66					671 831 + 160 24				
EXPENDITURES (\$1000's)															
TOTAL COSTS															
POSITIONS	3.00 3.00 + 0.00 0					5.00 3.00 - 2.00 40					5.00 5.00 + 0.00 0				
	395 214 - 181 46					224 77 - 147 66					671 831 + 160 24				
EXPENDITURES (\$1000's)															
						FISCAL YEAR 2006-07					FISCAL YEAR 2007-08				
						PLANNED ACTUAL ± CHANGE %					PLANNED ESTIMATED ± CHANGE %				
PART II: MEASURES OF EFFECTIVENESS															
1. SURFACE WATER SUPPLY DEVELOPED (MGD)	0 0 + 0 0					0 0 + 0 0									
2. GROUNDWATER SUPPLY DEVELOPED (MGD)	1 0 - 1 100					1 0 - 1 100									
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)	500 0 - 500 100					500 50 - 450 90									
4. STATE LANDS DEVELOPED (ACRES)	20 20 + 0 0					20 20 + 0 0									
PART III: PROGRAM TARGET GROUP															
1. DEFACTO POPULTN BENEFITING FROM IMPROVEMENTS (NO.)	1.3 1.4 + 0.1 8					1.3 1.4 + 0.1 8									
PART IV: PROGRAM ACTIVITY															
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)	25 25 + 0 0					25 25 + 0 0									
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)	25 25 + 0 0					25 25 + 0 0									
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED	10 20 + 10 100					10 20 + 10 100									
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)	15000 20000 + 5000 33					15000 20000 + 5000 33									
5. CIP EXPENDITURES (\$1,000)	15000 43888 + 28888 193					15000 30000 + 15000 100									
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)	0 0 + 0 0					0 0 + 0 0									

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: WATER AND LAND DEVELOPMENT

01 06
LNR 141

PART I - EXPENDITURES AND POSITIONS

Differences in staffing levels, budgeted amounts and actual expenditures due to staff vacancies and unused accrued vacation/sick leave/retirement fund for CIP staff.

PART II - MEASURES OF EFFECTIVENESS

Item 2 - Reflects authorized (funded) water supply projects and their completion. There are no projects of this type currently authorized.

Item 3 - Actual requests for water credits from State agencies were less than anticipated. Agencies submit water requests to this program when their specific project is applying for a building permit and is nearing construction.

PART III - PROGRAM TARGET GROUPS

Item 1 - Defacto population increased.

PART IV - PROGRAM ACTIVITIES

Item 3 - Reflects increase in number of authorized CIP projects.

Item 4 - Reflects services provided due to increase in projects authorized under other DLNR divisions.

Item 5 - Reflects actual expenditures; an additional \$53.9 million is encumbered in consultant and/or construction contracts.

VARIANCE REPORT

	FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07					NINE MONTHS ENDING 06-30-08				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0
EXPENDITURES (\$1000's)	4,829	1,687	-	3,142	65	522	455	-	67	13	1,969	2,062	+	93	5
TOTAL COSTS															
POSITIONS	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0
EXPENDITURES (\$1000's)	4,829	1,687	-	3,142	65	522	455	-	67	13	1,969	2,062	+	93	5
						FISCAL YEAR 2006-07					FISCAL YEAR 2007-08				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. NEW PRIVATE DEVELOPMENT IN KAKAAKO COMM DEV (\$M)						175	175	+	0	0	134	98	-	36	27
2. NEW PRIVATE DEVELOPMENT W/IN KALAELOA (\$M)						0	0	+	0	0	15	0	-	15	100

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010701

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BED-150

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08							
					BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS																
RESEARCH & DEVELOPMENT COSTS																
POSITIONS																
EXPENDITURES (\$1,000's)																
OPERATING COSTS																
POSITIONS																
EXPENDITURES (\$1000's)																
TOTAL COSTS																
POSITIONS																
EXPENDITURES (\$1000's)																
					FISCAL YEAR 2006-07				FISCAL YEAR 2007-08							
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS																
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)					175	175	+	0	0	134	98	-	36	27		
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)					1248	1000	-	248	20	520	765	+	245	47		
3. # OF NEW HOUSING UNITS IN KAKAAKO					947	720	-	227	24	399	626	+	227	57		
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO					0	0	+	0	0	0	1	+	1	0		
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD					0	54	+	54	0	57	56	-	1	2		
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)					0	0	+	0	0	15	0	-	15	100		
PART III: PROGRAM TARGET GROUP																
1. # OF RESIDENTS IN KAKAAKO					10080	10080	+	0	0	11660	11660	+	0	0		
2. # OF EMPLOYEES IN KAKAAKO					27423	27423	+	0	0	25757	25715	-	42	0		
3. # OF BUSINESSES IN KAKAAKO					1651	1649	-	2	0	1658	1656	-	2	0		
4. # OF LANDUSERS WITHIN KALAELOA					0	54	+	54	0	35	56	+	21	60		
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS					250	4000	+	3750	1500	1050	5000	+	3950	376		
PART IV: PROGRAM ACTIVITY																
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO					160	160	+	0	0	160	160	+	0	0		
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO					1	1	+	0	0	1	0	-	1	100		
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)					12.9	6.18	-	6.72	52	28.4	.80	-	27.6	97		
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN					121	121	+	0	0	121	121	+	0	0		
5. NEW PLANNING IN KALAELOA (\$M)					2	.02	-	1.98	99	2	2	+	0	0		
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA					4	5	+	1	25	42	42	+	0	0		
7. # PROJS FACILITATED & COMPLETED IN KALAELOA					0	5	+	5	0	5	5	+	0	0		

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY

**01 07 01
BED 150**

PART I - EXPENDITURES AND POSITIONS

FY07: The variance due to: 1) HCDA Kakaako revolving fund expenditure was \$58,524 less than budget caused by legislative actions that resulted in reduced activities in the district; 2) Kalaeloa revolving fund expenditure was \$59,579 less than budget due to postponed activities in the district.

1st Quarter FY08: The variance due to: 1) Kalaeloa District activities less than budget because of limited available funding source as results of late or non payment for assessment from non- federal land owners; 2) Kakaako District activities less than budget because of delayed transfer of management of Kewalo Basin.

PART II - MEASURES OF EFFECTIVENESS

Item 1. FY07: No variance. FY08: The variance results from of rapidly changing development in the district. The negative \$36 M variance is net results of postponements of three projects (-30M for Moana Vista, -10M for Waterfront, -2M for Pump Station) and 5.9M for a new project.

Item 2. FY07: Negative effect of 248 (1,000 sf) is due to postponement of one project (909 Kapiolani). FY08: The 245 (1,000 sf) variance mainly due to shifting from FY07 to FY08 of one project (909 Kapiolani).

Item 3. FY07: Negative effect of 227 is due to postponement of one project (909 Kapiolani). FY08: Variance of 227 is due to shifting from FY07 to FY08 of one project (909 Kapiolani).

Item 4. FY07: No variance. FY 08: One new project (Pohukaina School) is expected to start.

Item 5. Variance mainly due to entries based on "stock", not "change," of the meaning of this measure.

Item 6. FY07: No variance. FY08: Planned was previously overestimated.

PART III - PROGRAM TARGET GROUPS

Item 1. No variance.

Item 2. No variance.

Item 3. FY07/FY08: The variance mainly due to postponement of private development projects.

Item 4. Variance mainly due to entries based on "stock", not "change", of the meaning of this measure.

Item 5. Variance mainly due to entries based on "stock", not "change", of the meaning of this measure.

PART IV - PROGRAM ACTIVITIES

Item 1. No variance.

Item 2. No variance. FY08: Negative effect due to postponement of one project (Forest Ave) to future year.

Item 3. FY07: Negative 6.72M variance due to cancellation of one project (ID11) FY08: Negative 27.6M effect due to postponement of three projects (-20M, JABSOM Phase II, -1.0M Pohukaina School, -1.3M Kakaako Drainage), and cancellation of one project (-4.45M, ID11).

Item 4. FY07/FY08: Kalaeloa Master Plan is comprehensive covering the entire district.

Item 5. FY07: Negative 1.98M variance is due to lack of legislative appropriation.

Item 6. FY07: Variance due to underestimated measure objective. FY08: No variance.

Item 7. FY07: Variance due to incorrect measure objective. FY08: No variance.

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010702

ALOHA TOWER DEVELOPMENT CORPORATION

BED-151

VARIANCE REPORT

REPORT V61

11/29/07

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0			
EXPENDITURES (\$1000's)	1,507	977	-	530	35	282	282	+	0	0	1,248	1,268	+	20	2
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	1,507	977	-	530	35	282	282	+	0	0	1,248	1,268	+	20	2

	FISCAL YEAR 2006-07				FISCAL YEAR 2007-08					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. DEVELOPMENT PROJECTS GENERATED	5	5	+	0	0	5	5	+	0	0
2. NUMBER OF JOBS CREATED	100	100	+	0	0	100	100	+	0	0
3. TOTAL CONSTR VALUE OF DEV PROJS UNDER NEGOTN (MIL)	305	305	+	0	0	305	305	+	0	0
4. EST. TAX REVENUE INCREASE FROM DEVELOPMENT (MIL)	0	.47	+	0.47	0	35.7	35.7	+	0	0
PART III: PROGRAM TARGET GROUP										
1. LOCAL AND INTERNATIONAL REAL ESTATE DEVELOPERS	2	2	+	0	0	2	2	+	0	0
2. EXISTING AND POTENTIAL TENANTS/USERS/DEVELOPERS	80	80	+	0	0	500	500	+	0	0
PART IV: PROGRAM ACTIVITY										
1. # PROJECTS UNDER DEVELOPMENT OR UNDER AGREEMENT	5	5	+	0	0	5	5	+	0	0
2. # DIRECT NEGOTIATIONS ENTERED INTO	5	5	+	0	0	5	5	+	0	0
3. # OF INITIATIVES GENERATED	7	7	+	0	0	7	7	+	0	0
4. # OF PROJECTS UNDER CONSTRUCTION	2	2	+	0	0	2	2	+	0	0

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: ALOHA TOWER DEVELOPMENT CORPORATION

**01 07 02
BED 151**

PART I - EXPENDITURES AND POSITIONS

EXPENDITURES

Expenditures were less than budgeted due to reduction in personnel costs. A development manager position was left unfilled pending completion of negotiated agreements with the developer for Piers 5 & 6. Another project manager position was not fully funded due to the incumbents reduction in work hours. The incumbent subsequently resigned from the position in FY09. Authorization has been granted to fill both positions and ATDC expects to recruit and hire in FY 08.

POSITIONS

No variance in permanent positions.

PART II - MEASURES OF EFFECTIVENESS

Measures of Effectiveness were met in FY07 except for actual tax revenue generated in FY07, which is estimated at .47M. This amount is below planned estimates due to non-start of construction for the Piers 5&6 Project.

The projects generating tax revenue were consultant contracts related to the Piers 5&6 project and projects under the Hawaii Harbors Task Force Project.

PART III - PROGRAM TARGET GROUPS

No variance in FY 07.

PART IV - PROGRAM ACTIVITIES

Estimated program activities were met in FY07.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61
11/29/07

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP
 PROGRAM-ID: BED-160
 PROGRAM STRUCTURE NO: 0108

FISCAL YEAR 2006-07					THREE MONTHS ENDED 09-30-07				NINE MONTHS ENDING 06-30-08						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	30.00	20.00	-	10.00	33	34.00	19.00	-	15.00	44	34.00	34.00	+	0.00	0
EXPENDITURES (\$1000's)	30,608	27,791	-	2,817	9	38,077	2,958	-	35,119	92	23,553	60,339	+	36,786	156
TOTAL COSTS	-														
POSITIONS	30.00	20.00	-	10.00	33	34.00	19.00	-	15.00	44	34.00	34.00	+	0.00	0
EXPENDITURES (\$1000's)	30,608	27,791	-	2,817	9	38,077	2,958	-	35,119	92	23,553	60,339	+	36,786	156

	FISCAL YEAR 2006-07				FISCAL YEAR 2007-08					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. # OF HOMEBUYERS ASSISTED	80	199	+	119	149	280	774	+	494	176
2. # OF NEW RENTAL UNITS	352	768	+	416	118	296	298	+	2	1
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	70	108	+	38	54	154	305	+	151	98
4. # OF LEASE RENTS RENEGOTIATED	1	0	-	1	100	0	0	+	0	0
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	0	0	+	0	0	1	0	-	1	100
PART III: PROGRAM TARGET GROUP										
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD	502	362	-	140	28	730	801	+	71	10
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT	0	0	+	0	0	0	0	+	0	0
PART IV: PROGRAM ACTIVITY										
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	254	599	+	345	136	132	391	+	259	196
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	352	242	-	110	31	290	290	+	0	0
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	50	0	-	50	100	75	75	+	0	0
4. UTILIZE CH 201H TO FAC ST & CNTY LAND APP FOR HSNG	0	70	+	70	0	850	755	-	95	11
5. ACQUIRE/DISPOSE OF REAL PROPERTY	1	5	+	4	400	2	5	+	3	150
6. ASSIST FIRST-TIME HOMEBUYERS	80	199	+	119	149	280	774	+	494	176
7. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	1	1	+	0	0	0	1	+	1	0
8. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	1	1	+	0	0	0	1	+	1	0

VARIANCE REPORT NARRATIVE FY 2007 AND FY 2008

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

01 08
BED 160

PART I - EXPENDITURES AND POSITIONS

FY 07 budget data for the now nonexistent program IDs (BED 223, 225, 227, 229, 231) have been combined with the FY 07 budget data of BED 160.

The variance is primarily due to a delay in filling of positions pending reorganization approval.

PART II - MEASURES OF EFFECTIVENESS

Item 1: Variance is due to a greater effort to promote the Mortgage Credit Certificate program. This effort resulted in MCC numbers being over three times the projected amount.

Items 2 & 3: Variance is a result of higher than anticipated Conveyance tax collections which allowed HHFDC to award, Rental Housing Trust Fund (RHTF), funds to more units than anticipated.

Item 4: Variance is due to the fact that no grievances were filed.

PART III - PROGRAM TARGET GROUPS

Item 1: Variance is due to the utilization of updated HUD data for the actual average monthly income of households.

PART IV - PROGRAM ACTIVITIES

Item 1: Variance is due to delays with the Sr. Residence project at Iwilei.

Item 2: Variance is a result of higher than anticipated Conveyance tax collections which allowed HHFDC to award, Rental Housing Trust Fund (RHTF), funds to more units than anticipated.

Item 3: Variance is due to higher than anticipated construction costs which meant larger amounts of LIHTC were needed to develop/rehabilitate units.

Item 4: Variance is due to a delay in the issuance of bonds for two rental housing projects.

Item 5: Variances depend on the time it takes to obtain zoning and permits.

Item 6: Variance is due to a greater effort to promote the Mortgage Credit Certificate program. This effort resulted in MCC numbers being over three times the projected amount.

Items 7 & 8: No variance.

This page is intentionally left blank